



Croft Value Fund
&
Croft Income Fund

ANNUAL REPORT

April 30, 2009

CROFT VALUE FUND

MANAGERS COMMENTARY
APRIL 30, 2009

June 30, 2009

Dear Shareholder:

The Croft Value Fund continues to employ our value-oriented and somewhat contrarian investment philosophy in an effort to provide above-average returns for our shareholders. For the fiscal year ended April 30, 2009, our underperformance was due, in part, to holdings in the energy and commodity sectors. Since our fiscal year end, these sectors have recovered nicely. Our strategy is based on the generation of stock ideas that lead to committed investments for the long term. We seek undervalued stocks of varied market capitalizations that generally tend to fall into one of three categories: 1) companies that have a potential catalyst for appreciation that the market has not fully valued; 2) companies that have price-to earnings (P/E) ratios lower than the market, but we believe will have above average long term earnings growth; and 3) contrarian ideas, which occur when a company has fallen out of favor with the market but still has good underlying prospects.

We continued to experience historic levels of volatility in the markets during the first four months of 2009. While there will always be periods of uncertainty, times like these present opportunities to invest for the long term. The macroeconomic picture has recently shown signs of improvement. Broad measures of credit risk have improved--one such indicator that compares interbank lending rates to treasury rates, the three month TED spread, has declined from 4.5% at the peak of the credit crisis to 0.5%, approximately where it was prior to the failure of Lehman Brothers in September, 2008. Access to capital is better as well, with \$19.5 billion of high yield bonds issued in the first four months of 2009 vs. \$4.4 billion in the last four months of 2008. Corporate earnings have been better than feared, with 70% of companies in the S&P 500 beating analysts' estimates for the first quarter. Pending home sales have increased in four out of the last five months, with May's report showing a 6.7% increase, the largest gain in 7 years. The average rate on a fixed 30-year mortgage fell to a 38-year low of 4.78% as of April 20, 2009, further helping to stabilize house prices. There is also ample cash on the sidelines, with U.S. investors holding more cash than stocks for the first time in 20 years, as of April 2009. The global economic situation has also shown improvement. The Chinese Purchasing Managers Index, a broad measure of manufacturing activity, has been above 50 (indicating growth) for the last three months.

While we are encouraged by these indicators, there is still good reason for caution. U.S. unemployment was 9.4% as of May 2009, the highest level in 25 years. 345,000 jobs were lost in the month, and while the figure was better

CROFT VALUE FUND

MANAGERS COMMENTARY (CONTINUED)
APRIL 30, 2009

than expected and an improvement from recent months, it was still worse than any monthly loss in the last three recessions. Oil prices have also increased from \$33 in March to \$72 today, with the potential to act as a drag on consumer spending.

Thank you for your investment in the Croft Value Fund.

Sincerely,

Kent Croft



President

CROFT INCOME FUND

MANAGERS COMMENTARY
APRIL 30, 2009

June 30, 2009

Dear Shareholder:

As of April 30, 2009, approximately 11% of the Income Fund's assets were invested in short term, high-quality securities. This is a decline from a reserves allocation of over 40% one year ago. As recent economic turmoil and credit market dysfunction drove corporate bond yields to historically high spreads above government bonds, we have opportunistically deployed the Fund's capital. Over the last 9 months we have purchased bonds at yields we believe to be significantly higher than warranted by the issuers' ability to service the debt. We have also increased the credit quality of the Fund's holdings, reducing non-investment grade holdings from 20% to 15%. While we will continue to evaluate and take advantage of opportunities to deploy the Fund's capital, we view the current allocation to reserves as a necessary hedge against the potential for increased inflation and rising interest rates in the medium term. For the fiscal year ended April 30, 2009, our underperformance was a result of a massive flight to treasuries during the worst of the economic crisis. However, this situation has improved markedly since our fiscal year end.

While the global economy is by no means healthy, the macroeconomic picture has recently shown signs of improvement. Broad measures of credit risk have improved- one such indicator that compares interbank lending rates to treasury rates, the three month TED spread, has declined from 4.5% at the peak of the credit crisis to 0.5%, approximately where it was prior to the failure of Lehman Brothers in September, 2008. Access to capital is better as well, with \$19.5 billion of high yield bonds issued in the first four months of 2009 vs. \$4.4 billion in the last four months of 2008. While we are encouraged by these indicators, there is still good reason for caution. U.S. unemployment was 9.4% as of May 2009, the highest level in 25 years. 345,000 jobs were lost in the month, and while the figure was better than expected and an improvement from recent months, it was still worse than any monthly loss in the last three recessions. Oil prices have also increased from \$33 in March to approximately \$72 as of June 10, 2009, with the potential to act as a drag on consumer spending. We believe that current asset allocation of the Income Fund reflects both the risks and the opportunities in the current interest rate environment.

As of April 30, 2009, the Income Fund had the following characteristics: net yield of approximately 4.6%, weighted average yield to maturity of 5.3%, weighted average duration (measure of sensitivity to interest rates) of 5.1 years, and weighted average maturity of 7.3 years. We continue to manage our credit risk through industry diversification and individual company

CROFT INCOME FUND

MANAGERS COMMENTARY (CONTINUED)
APRIL 30, 2009

analysis. As of June 10, 2009, we held 97 corporate bond issues in 21 different sectors. Additionally, 85% of the Fund's assets were rated investment grade.

Thank you for your investment in the Croft Income Fund.

Sincerely,

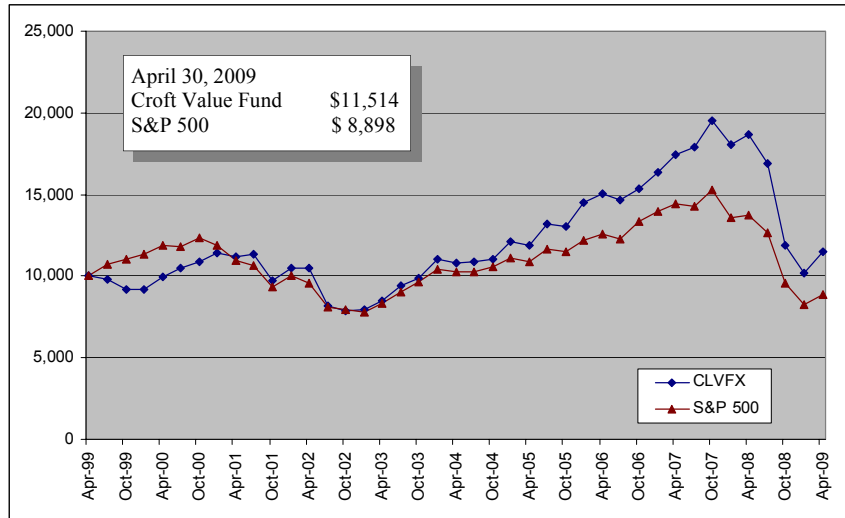


Kent Croft
President

CROFT VALUE FUND

GRAPHICAL ILLUSTRATION APRIL 30, 2009

Cumulative Performance Comparison \$10,000 Investment Since May 1, 1999*



Average Annual Total Returns For the Periods Ended April 30, 2009		
	Croft Value Fund	S&P 500 Index
1 Year	-38.35%	-35.31%
3 Year	-8.49%	-10.87%
5 Year	1.34%	-2.78%
10 Year	1.42%	-1.16%

*This chart assumes an initial investment of \$10,000 made on May 1, 1999.

Past Performance does not guarantee future results.

Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

Returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the redemption of fund shares.

Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month end, please call (800) 746-3322.

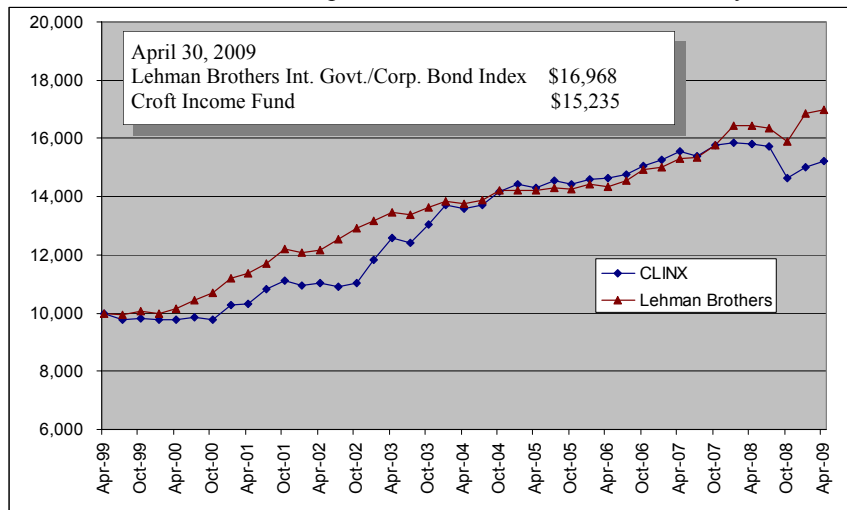
Annual Fund Operating Expenses:**	
Operating Expenses	1.59%
Less Waivers/Reimbursements*	(0.10)%
Net Annual Fund Operating Expenses	1.49%

** The Adviser has agreed to waive its advisory fees and/or reimburse fund expenses (excluding brokerage, commissions, underlying fund fees and expenses or extraordinary expenses) through August 30, 2009 to limit total annual fund operating expenses for the Value Fund to 1.47%.

CROFT INCOME FUND

GRAPHICAL ILLUSTRATION APRIL 30, 2009

Cumulative Performance Comparison \$10,000 Investment Since May 1, 1999*



Average Annual Total Return For the Periods Ended April 30, 2009

	Croft Income Fund	Lehman Brothers Int. Govt. / Corp. Bond Index.
1 Year	-3.58%	3.19%
3 Year	1.35%	5.73%
5 Year	2.31%	4.27%
10 Year	4.30%	5.43%

*This chart assumes an initial investment of \$10,000 made on May 1, 1999.

Past Performance does not guarantee future results.

Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

Returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the redemption of fund shares.

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Annual Fund Operating Expenses:**

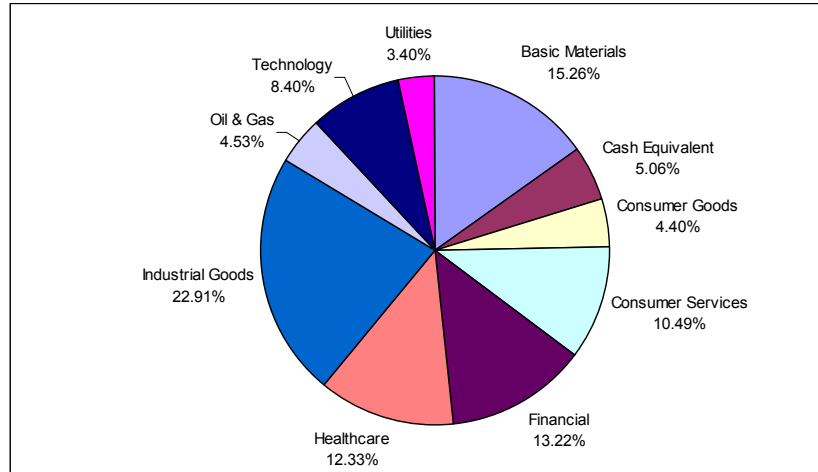
Operating Expenses*	2.04%
Less Waivers/Reimbursements**	(0.94)%
Net Annual Fund Operating Expenses	1.10%

** The Adviser has agreed to waive its advisory fees and/or reimburse fund expenses (excluding brokerage, commissions, underlying fund fees and expenses or extraordinary expenses) through August 30, 2009 to limit total annual fund operating expenses for the Income Fund to 1.10%.

CROFT VALUE FUND

PORTFOLIO ILLUSTRATION APRIL 30, 2009 (UNAUDITED)

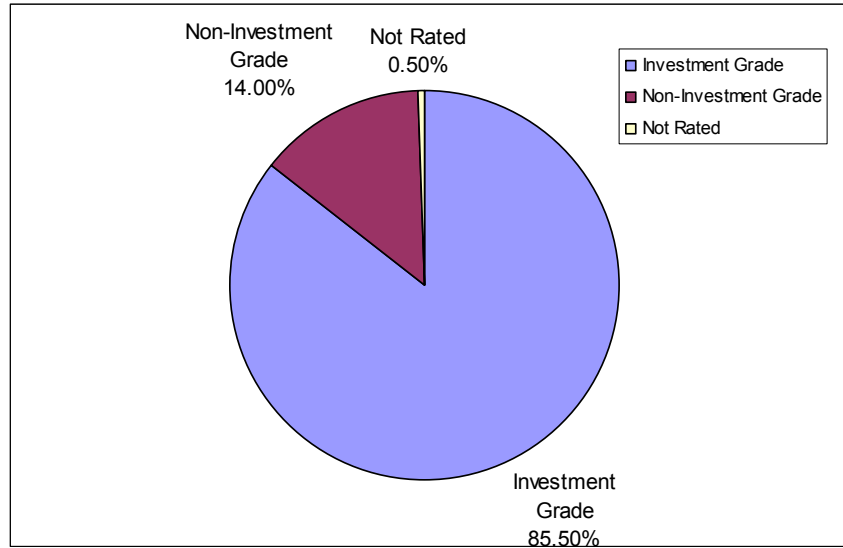
The following chart gives a visual breakdown of the Fund by the industry sectors the underlying securities represent as a percentage of the portfolio of investments.



CROFT INCOME FUND

PORTFOLIO ILLUSTRATION APRIL 30, 2009 (UNAUDITED)

The following chart gives a visual breakdown of the Fund by the investment grade as a percentage of the portfolio of investments.



CROFT VALUE FUND

SCHEDULE OF INVESTMENTS APRIL 30, 2009

<u>Shares</u>	<u>Value</u>
COMMON STOCKS - 95.09%	
Agricultural - 3.63%	
10,417 Archer-Daniels-Midland Co.	\$ 256,467
7,204 CF Industries Holdings, Inc.	519,047
11,311 Monsanto Company	960,191
9,085 Potash Corp. of Saskatchewan, Inc.	<u>785,762</u>
	2,521,467
Aircraft & Parts - 0.64%	
29,547 AAR Corp. *	<u>445,273</u>
Banks, S&Ls and Brokers - 1.12%	
26,384 Bank of New York Mellon Corp.	672,264
12,087 Bank of America Corp.	<u>107,937</u>
	780,201
Building & Construction - 1.77%	
56,919 Foster Wheeler Ltd. *	<u>1,225,466</u>
Capital Equipment - 8.03%	
49,624 Baldor Electric Co.	1,151,277
15,860 Caterpillar, Inc.	564,298
29,414 Deere & Co.	1,213,622
11,921 Flowserve Corp.	809,436
47,274 Terex Corp. *	652,381
24,214 United Technologies Corp.	<u>1,182,612</u>
	5,573,626
Chemicals - 1.76%	
43,908 E.I. du Pont de Nemours & Co.	<u>1,225,033</u>
Consumer Nondurables - 2.96%	
30,428 Philip Morris International, Inc.	1,101,494
19,277 Procter & Gamble Co.	<u>953,054</u>
	2,054,548
Energy - 0.55%	
14,917 Suncor Energy Inc.	<u>378,295</u>

* Non-income producing during the period.

The accompanying notes are an integral part of these financial statements.

CROFT VALUE FUND

SCHEDULE OF INVESTMENTS (CONTINUED) APRIL 30, 2009

<u>Shares</u>	<u>Value</u>
Financial Services - 2.06%	
18,475 American Express, Co.	465,940
16,931 Citigroup, Inc.	51,640
61,698 Invesco Ltd. ADR	<u>908,194</u>
	1,425,774
Forester Products - 5.00%	
25,525 Potlatch Corp.	750,690
29,100 Plum Creek Timber Co., Inc.	1,004,532
48,687 Weyerhaeuser Co.	<u>1,716,704</u>
	3,471,926
Gas & Gas Transmission - 2.39%	
78,802 Williams Companies, Inc.	1,111,108
34,292 Southern Union Co.	<u>545,586</u>
	1,656,694
Healthcare - 7.15%	
28,233 Aetna Inc.	621,408
38,925 CVS Caremark Corp.	1,237,037
10,578 Edwards Lifesciences Corp. *	670,434
48,044 Qiagen N.V. *	791,765
16,563 Stryker Corp.	641,154
42,610 Unitedhealth Group, Inc.	<u>1,002,187</u>
	4,963,985
Home Improvement Stores - 1.61%	
51,763 Lowes Companies, Inc.	<u>1,112,905</u>
Industrial Goods - 2.51%	
8,274 Valmont Industries	527,716
15,963 Allegheny Technologies, Inc.	522,469
48,847 ABB Ltd. - ADR	<u>694,604</u>
	1,744,789
Insurance Agents & Brokers - 1.50%	
49,525 Marsh & McLennan Companies, Inc.	<u>1,044,482</u>
International Oil & Gas - 4.44%	
19,901 Crescent Point Energy Trust	469,469
47,237 Nexen, Inc.	902,227

ADR - American Depositary Receipt

* Non-income producing during the period.

The accompanying notes are an integral part of these financial statements.

CROFT VALUE FUND

SCHEDULE OF INVESTMENTS (CONTINUED) APRIL 30, 2009

<u>Shares</u>	<u>Value</u>
18,895 Penn West Energy Trust	207,278
68,913 Petrobank Energy & Resources Ltd. *	<u>1,501,876</u>
	3,080,850
Life Insurance - 2.20%	
15,659 MetLife, Inc.	465,855
36,766 Prudential Financial, Inc.	<u>1,061,802</u>
	1,527,657
Media & Entertainment - 3.11%	
52,732 Cablevision Systems Corp. - NY Group Class A	904,881
51,486 Liberty Media Corp. - Entertainment - Class A *	<u>1,253,684</u>
	2,158,565
Metals & Mining - 1.80%	
29,290 Freeport McMoran Copper & Gold, Inc.	<u>1,249,219</u>
Multi-Industry - 4.73%	
42,375 General Electric Co.	536,044
42,527 Honeywell International, Inc.	1,327,268
20,596 ITT Corp.	844,642
24,291 Tyco International, Inc.	<u>577,154</u>
	3,285,108
Natural Gas - 2.95%	
11,600 Petrohawk Energy Corp. *	273,760
31,356 Southwestern Energy Co. *	1,124,426
15,164 Ultra Petroleum Corp. *	<u>649,019</u>
	2,047,205
Oil - 0.12%	
27,335 Gulfport Energy Corp. *	<u>81,185</u>
Pharmaceuticals - 7.56%	
9,077 Cephalon, Inc. *	595,542
9,075 Genzyme Corp. *	483,970
25,554 ICON PLC. - ADR *	404,775
23,370 Johnson & Johnson	1,223,653
10,145 Merck & Co. Inc.	245,915
30,859 Pfizer, Inc.	412,276
32,126 Pharmaceutical Product Development, Inc.	629,991

ADR - American Depository Receipt

* Non-income producing during the period.

The accompanying notes are an integral part of these financial statements.

CROFT VALUE FUND

SCHEDULE OF INVESTMENTS (CONTINUED) APRIL 30, 2009

<u>Shares</u>	<u>Value</u>
23,426 Schering-Plough Corp.	539,267
16,793 Wyeth	<u>712,023</u>
	5,247,412
Property & Casualty Insurance - 3.45%	
36,415 Allstate Corp.	849,562
33,380 Ace Ltd.	<u>1,546,162</u>
	2,395,724
Real Estate - 1.16%	
107,383 CB Richard Ellis Group Inc. - Class A	<u>805,373</u>
Retail Stores - 1.39%	
66,653 Collective Brands, Inc. *	<u>967,802</u>
Specialty Chemicals - 4.69%	
21,719 3M Co.	1,251,014
20,556 Albemarle Corp.	551,312
29,802 FMC Corp.	<u>1,452,252</u>
	3,254,578
Technology - 6.24%	
71,005 Cisco Systems, Inc. *	1,371,817
123,725 Flextronics International Ltd. *	480,053
19,986 Verisign, Inc. *	411,312
30,937 Altera Corp.	504,582
45,857 Corning, Inc.	670,429
73,075 Applied Materials, Inc.	<u>892,246</u>
	4,330,439
Telecommunications - 3.92%	
44,660 Amdocs Ltd. *	934,734
65,820 General Cable Corp. *	<u>1,786,355</u>
	2,721,089
Transportation - 2.03%	
2,773 Burlington Northern Santa Fe Corp.	187,122
15,403 Canadian National Railway Co.	622,589
16,841 Norfolk Southern Corp.	<u>600,887</u>
	1,410,598
Utilities - 2.62%	
49,205 Calpine Corp. *	399,053

* Non-income producing during the period.

The accompanying notes are an integral part of these financial statements.

CROFT VALUE FUND

SCHEDULE OF INVESTMENTS (CONTINUED)
APRIL 30, 2009

<u>Shares</u>		<u>Value</u>
8,310	FirstEnergy Corp.	339,879
10,047	FPL Group, Inc.	540,428
14,575	PG&E Corp.	<u>541,024</u>
		1,820,384
TOTAL FOR COMMON STOCKS (Cost \$83,921,124) - 95.09%		<u>\$66,007,652</u>
SHORT TERM INVESTMENTS - 5.06%		
	AIM Short-term Investment Company Prime Portfolio	
3,514,994	2.94% ** (Cost \$3,514,994)	<u>3,514,994</u>
TOTAL FOR SHORT TERM INVESTMENTS (Cost \$3,514,994)-5.06%		<u>\$ 3,514,994</u>
TOTAL INVESTMENTS (Cost \$87,436,118) - 100.15%		\$69,522,646
LIABILITIES IN EXCESS OF OTHER ASSETS - (0.15)%		<u>(105,764)</u>
NET ASSETS - 100.00%		<u>\$69,416,882</u>

** Variable Rate Security; the coupon rate shown represents the rate at April 30, 2009.
The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

SCHEDULE OF INVESTMENTS
APRIL 30, 2009

<u>Shares/Principal</u>	<u>Value</u>
CLOSED END MUTUAL FUNDS - 1.85%	
Taxable Bond Funds - 1.85%	
6,200 AllianceBernstein Global High Income Fund *	\$ 59,396
9,600 Templeton Emerging Markets Income Fund *	94,176
4,500 Western Asset Worldwide Income Fund *	42,660
	<u>196,232</u>
TOTAL FOR CLOSED END MUTUAL FUNDS (Cost \$227,527) - 1.85%	<u>\$ 196,232</u>
CORPORATE BONDS - 85.27%	
Accident & Health Insurance - 0.20%	
22,000 Unumprovident Corp., 7.625%, 3/1/11	\$ 21,681
Bituminous Coal & Lignite Surface Mining - 0.47%	
50,000 Massey Energy Co., 6.625%, 11/15/10	50,000
Building Materials & Housing - 2.23%	
115,000 Plum Creek Timber Co., 5.875%, 11/15/15	96,601
140,000 Weyerhaeuser Co., 6.75%, 3/15/12	139,716
	<u>236,317</u>
Business Equipment - 5.37%	
80,000 Goodyear Tire & Rubber Co., 7.857%, 8/15/11	74,400
182,000 Hewlett-Packard Co., 5.500%, 3/1/18	190,795
45,000 Hewlett-Packard Co., 6.125%, 3/1/14	49,484
160,000 Pitney Bowes, Inc., 4.750%, 5/15/18	147,577
105,000 United Technology Corp., 5.375%, 12/15/17	106,520
	<u>568,776</u>
Business Services - 1.42%	
145,000 United Parcel Services, 5.50%, 1/15/18	150,361
Cable TV & Cellular Telephone - 0.99%	
100,000 Tele-Communications, Inc. Senior Debentures, 7.875%, 8/1/13	104,724

* Closed-end security

The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

SCHEDULE OF INVESTMENTS (CONTINUED) APRIL 30, 2009

<u>Shares/Principal</u>	<u>Value</u>
Capital Goods - 3.02%	
150,000 Caterpillar, Inc., 7.00%, 12/15/13	161,312
75,000 General Dynamics Corp., 5.25%, 2/1/14	79,600
80,000 Thermo Fisher Science, Inc., 6.75%, 8/15/14	79,497
	<u>320,409</u>
Chemicals - 2.37%	
75,000 Agrium, Inc. Debentures (Yankee), 7.800%, 2/1/27	66,768
150,000 Dupont EI De Nemours, 6.000% 7/15/18	154,035
30,000 IMC Global, Inc. Senior Debentures, 9.450%, 12/15/11	30,027
	<u>250,830</u>
Education - 0.38%	
40,000 Duke University, 5.15%, 4/1/19	40,245
Electric & Gas Utilities - 1.61%	
100,000 Dominion Resources, Inc. 6.250%, 6/30/12	104,960
67,000 El Paso Corp. Senior Notes, 7.000%, 5/15/11	65,614
	<u>170,574</u>
Electronic Instruments and Controls - 1.67%	
40,000 Arrow Electronics, Inc. Senior Debentures, 6.875%, 6/1/18	34,645
60,000 Arrow Electronics, Inc. Debentures, 7.500%, 1/15/27	43,692
130,000 General Cable Corp., 1.00%, 10/15/12	98,475
	<u>176,812</u>
Energy and Energy Services - 10.22%	
120,000 Anadarko Petroleum 7.625%, 3/15/14	123,073
140,000 BP Capital Markets PLC, 5.25%, 11/7/13	150,944
100,000 Baker Hughes, Inc. 7.5%, 11/15/18	112,541
30,000 Baker Hughes, Inc. 6.5%, 11/15/13	32,960
30,000 Conocophillips Corp., 4.75%, 2/1/14	31,636
100,000 Conocophillips Corp., 5.20%, 5/15/18	98,095
60,000 Tosco Corp., 7.80%, 1/1/27	63,248
65,000 Global Marine, Inc., Notes, 7.000%, 6/1/28	58,690
135,000 Occidental Petroleum, 6.75%, 1/15/12	144,144
60,000 Petrohawk Energy Corp., 9.125%, 7/15/13	58,800
100,000 Shell International Finance BV, 4.00%, 3/21/14	103,123
105,000 Weatherford International, Inc., 5.95%, 6/15/12	105,056
	<u>1,082,310</u>

The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

SCHEDULE OF INVESTMENTS (CONTINUED) APRIL 30, 2009

<u>Shares/Principal</u>	<u>Value</u>
Environmental Service/Pollution Control - 0.48%	
50,000 Waste Management, Inc. Debentures, 7.650%, 3/15/11	51,231
Federal & Federally-Sponsored Credit Agencies - 9.54%	
100,000 Fannie Mae, 4.50%, 12/18/17	100,094
90,000 Fannie Mae, 4.50%, 5/28/15	90,225
43,000 Fannie Mae, 4.50%, 6/11/18	43,040
105,000 Fannie Mae, 4.81%, 6/30/16	105,656
200,000 Fannie Mae, 5.00%, 7/24/18	200,188
125,000 Federal Farm Credit Bank, 5.41%, 11/7/16	131,680
60,000 Federal Home Loan Bank, 3.20%, 12/18/12	60,656
121,000 Freddie Mac, 4.55%, 3/15/18	121,048
158,000 Freddie Mac, 5.00%, 7/23/20	158,064
	1,010,651
Financial Services - 4.12%	
160,000 Berkshire Hathaway Financial Corp. 4.625%, 10/15/13	163,354
60,000 CIGNA Corp. Debentures, 7.875%, 5/15/27	46,069
55,000 General Electric Capital Corp., 3.00%, 12/9/11	56,742
55,000 Goldman Sachs Group, 3.25%, 6/15/12	57,324
55,000 JP Morgan Chase & Co., 3.125%, 12/1/11	56,702
55,000 Wells Fargo & Co., 3.00%, 12/9/11	56,671
	436,862
Food & Drug Producers - 5.45%	
100,000 Archer-Daniels Midland Co. 5.45%, 3/15/18	101,964
70,000 Bunge, Ltd., 5.35%, 4/15/14	62,639
100,000 Glaxosmithkline PLC., 4.375%, 4/15/14	101,935
160,000 Pepsico, Inc., 7.90%, 11/1/18	193,100
110,000 Pfizer, Inc., 5.35%, 3/15/15	118,248
	577,886
Gas & Gas Transmission - 2.62%	
100,000 KN Energy, Inc. Senior Debentures, 7.250%, 3/1/28	69,000
115,000 Pacific Energy Partners L.P., 7.125%, 6/15/14	110,789
100,000 Panhandle Eastern Pipeline, 6.05%, 8/15/13	98,181
	277,970
Home Improvement Stores - 0.29%	
30,000 Home Depot, Inc. 5.20%, 3/1/11	30,570

The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

SCHEDULE OF INVESTMENTS (CONTINUED) APRIL 30, 2009

<u>Shares/Principal</u>	<u>Value</u>
Home Lawn & Garden Equipment - 0.75%	
100,000 Toro Company Debentures, 7.800%, 6/15/27	79,648
Industrial Goods - 3.23%	
75,000 Cummins Engine Company, Inc. Debentures, 6.750%, 2/15/27	54,666
90,000 Honeywell International, Inc., 4.25%, 3/1/13	93,440
136,000 General Electric Co., 5.25%, 12/6/17	128,697
65,000 Nalco Company., 8.875%, 11/15/13	<u>65,325</u>
	342,128
Insurance Agents, Brokers & Service - 1.00%	
120,000 Marsh & McLennan Co., 5.750%, 9/15/15	106,341
International Gas & Oil - 1.55%	
175,000 Nexen, Inc. 5.05%. 11/20/13	164,165
Life Insurance - 1.23%	
160,000 Prudential Financial, Inc. 4.5% 7/15/13	130,172
Media & Entertainment - 2.71%	
170,000 Time Warner, Inc. Debentures, 9.150%, 2/1/23	175,995
110,000 Washington Post Co., 7.25%, 2/1/19	<u>110,975</u>
	286,970
Metal & Mining - 5.20%	
100,000 Arch Western Finance 6.75%, 7/1/13	87,250
165,000 BHP Biliton Ltd. 5.5%, 4/1/14	173,723
75,000 Freeport McMoran, 8.375%, 4/1/17	73,500
125,000 Peabody Energy Corp., 6.875%, 3/15/13	122,500
125,000 U.S. Steel Corp., 7.000%, 2/1/18	<u>92,846</u>
	549,819
Miscellaneous Consumer Goods & Services - 2.63%	
90,000 Brown-Forman Corp., 5.00% 2/1/14	92,511
90,000 Proctor & Gamble Co., 4.60% 1/15/14	95,309
100,000 Tenneco Packaging, Inc. Debentures, 8.125% 6/15/17	<u>90,286</u>
	278,106
Miscellaneous Manufacturing Industries - 0.24%	
25,000 Blyth, Inc., 7.90%, 10/1/09	25,125

The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

SCHEDULE OF INVESTMENTS (CONTINUED) APRIL 30, 2009

<u>Shares/Principal</u>	<u>Value</u>
Pipelines - 1.40%	
150,000 Sonat Inc. Notes, 7.625%, 7/15/11	148,493
Plastic Materials, Synthetic Resins & Nonvulcan Elastomers - 1.17%	
150,000 Albemarle Corp., 5.100%, 2/1/15	124,467
Printing & Publishing - 1.35%	
165,000 News America Holdings, Inc. Senior Debentures, 7.750%, 2/1/24	143,168
Retail Stores - 1.98%	
55,000 Albertson's Medium-Term, Inc. Notes, 6.520%, 4/10/28	24,750
70,000 Auto Zone Inc., 6.95%, 6/15/16	67,855
55,000 Sears Roebuck Co., 7.500%, 10/15/27	18,569
90,000 Staples, Inc., 9.75%, 1/15/14	<u>98,763</u>
	209,937
Security & Protection Services - 1.10%	
115,000 L-3 Communications Corp., 7.625%, 6/15/12	116,150
Semiconductors - 0.26%	
30,000 Flextronics International, 9.875%, 7/1/10	27,735
Steel & Iron - 2.75%	
185,000 Carpenter Technology, 7.625%, 8/15/11	189,618
100,000 Nucor Corp., 5.750%, 12/1/17	<u>101,891</u>
	291,509
Telephones & Communications - 2.82%	
95,000 Alltel Corp., 7.875% Due 7/1/32	99,928
186,000 Liberty Media, LLC., 8.25%, 2/1/30	117,964
75,000 AT&T Corp., 4.85%, 2/15/14	77,773
3,141 Nynex Corp Amort Debentures, 9.55%, 5/1/10	<u>3,131</u>
	298,796
Technology - 1.45%	
145,000 Cisco Systems, Inc., 5.50%, 2/22/16	153,437
TOTAL FOR CORPORATE BONDS (Cost \$8,992,383) - 85.27%	<u>\$9,034,375</u>

The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

SCHEDULE OF INVESTMENTS (CONTINUED)
APRIL 30, 2009

<u>Shares/Principal</u>	<u>Value</u>
SHORT TERM INVESTMENTS - 11.55%	
AIM Short-term Investment Company Prime Portfolio 1,222,995 2.94% ** (Cost \$1,222,995)	1,222,995
TOTAL SHORT TERM INVESTMENTS (Cost \$1,222,995) - 11.55%	<u>\$1,222,995</u>
TOTAL INVESTMENTS (Cost \$10,442,905) - 98.67%	\$10,453,602
OTHER ASSETS LESS LIABILITIES - 1.33%	<u>141,186</u>
NET ASSETS - 100.00%	<u>\$10,594,788</u>

** Variable Rate Security; the coupon rate shown represents the rate at April 30, 2009.
The accompanying notes are an integral part of these financial statements.

CROFT FUNDS

STATEMENT OF ASSETS AND LIABILITIES APRIL 30, 2009

Assets:	Value Fund	Income Fund
Investments in Securities, at Value (Cost \$87,436,118 and \$10,442,905, respectively)	\$69,522,646	\$ 10,453,602
Receivables:		
Fund Shares Sold	232,680	-
Dividends and Interest	84,548	165,676
Prepaid Expenses	<u>9,419</u>	<u>7,967</u>
Total Assets	<u>69,849,293</u>	<u>10,627,245</u>
Liabilities:		
Due to Custodian Bank	80	105
Payables:		
Fund Shares Redeemed	227,748	149
Accrued Management Fees	33,301	67
Dividends Payable	-	15,196
Other Accrued Expenses	20,604	16,940
Securities Purchased	<u>150,678</u>	<u>-</u>
Total Liabilities	<u>432,411</u>	<u>32,457</u>
Net Assets	<u>\$69,416,882</u>	<u>\$ 10,594,788</u>
Net Assets Consist of:		
Paid In Capital	\$98,560,043	\$ 11,561,735
Accumulated Undistributed Net Investment Income	20,350	30,608
Accumulated Realized Loss on Investments	(11,250,039)	(1,008,252)
Unrealized Appreciation/(Depreciation) in value of investments	<u>(17,913,472)</u>	<u>10,697</u>
Net Assets (30,000,000 shares authorized, \$0.001 par value for the Croft Funds Corporation, which includes the Value Fund and the Income Fund), for 4,521,192 and 1,179,282 Shares Outstanding.	<u>\$69,416,882</u>	<u>\$ 10,594,788</u>
Net Asset Value and Offering Price Per Share	<u>\$ 15.35</u>	<u>\$ 8.98</u>
Short-term Redemption Price Per Share (\$15.35 x 0.98 and \$8.98 x 0.98) *	<u>\$ 15.04</u>	<u>\$ 8.80</u>

* The Funds will deduct a 2% redemption fee for redemption proceeds if purchased and redeemed within 30 days.

The accompanying notes are an integral part of these financial statements.

CROFT FUNDS

STATEMENT OF OPERATIONS For the year ended APRIL 30, 2009

	Value Fund	Income Fund
Investment Income:		
Dividends (net of foreign withholding taxes of \$11,769 and \$0, respectively)	\$ 1,013,187	\$ 26,022
Interest	<u>124,302</u>	<u>527,690</u>
Total Investment Income	1,137,489	553,712
Expenses:		
Advisory Fees (Note 4)	595,220	79,045
Distribution Fees	158,306	25,014
Transfer Agent and Fund Accounting Fees	49,904	29,249
Custody Fees	43,658	7,281
Registration Fees	24,410	23,038
Audit Fees	14,699	14,101
Insurance Fees	13,698	3,023
Legal Fees	11,214	11,178
Miscellaneous Fees	8,222	4,987
Printing and Mailing Fees	6,434	6,043
Trustee Fees	<u>1,026</u>	<u>975</u>
Total Expenses	926,791	203,934
Fees Waived and Reimbursed by the Advisor (Note 4)	<u>-</u>	<u>(93,871)</u>
Net Expenses	<u>926,791</u>	<u>110,063</u>
Net Investment Income	<u>210,698</u>	<u>443,649</u>
Realized and Unrealized Loss on Investments:		
Realized Loss on Investments	(11,189,644)	(726,101)
Net Change in Unrealized Appreciation/ (Depreciation) on Investments	<u>(23,415,610)</u>	<u>(71,587)</u>
Net Realized and Unrealized (Loss) on Investments	<u>(34,605,254)</u>	<u>(797,688)</u>
Net Decrease in Net Assets Resulting from Operations	<u><u>\$(34,394,556)</u></u>	<u><u>\$ (354,039)</u></u>

The accompanying notes are an integral part of these financial statements.

CROFT VALUE FUND

STATEMENTS OF CHANGES IN NET ASSETS

	Years Ended	
	<u>4/30/2009</u>	<u>4/30/2008</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income	\$ 210,698	\$ 95,675
Net Realized Gain (Loss) on Investments	(11,189,644)	1,011,131
Net Change in Unrealized Appreciation/Depreciation on Investments	<u>(23,415,610)</u>	<u>1,252,227</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	(34,394,556)	2,359,033
Distributions to Shareholders from:		
Net Investment Income	(216,487)	(85,119)
Realized Gains	<u>(384,866)</u>	<u>(921,353)</u>
Net Change in Net Assets from Distributions	(601,353)	(1,006,472)
Capital Share Transactions:		
Proceeds from Sale of Shares	85,642,758	40,049,704
Shares Issued on Reinvestment of Dividends	589,865	970,999
Cost of Shares Redeemed	<u>(43,200,771)</u>	<u>(2,960,981)</u>
Net Increase from Shareholder Activity	43,031,852	38,059,722
Net Assets:		
Net Increase in Net Assets	8,035,943	39,412,283
Beginning of Period	<u>61,380,939</u>	<u>21,968,656</u>
End of Period (Including Accumulated Undistributed Net Investment Income of \$20,350 and \$26,139, respectively)	<u>\$ 69,416,882</u>	<u>\$61,380,939</u>
Share Transactions:		
Shares Sold	4,644,266	1,615,881
Shares Issued on Reinvestment of Dividends	40,906	37,274
Shares Redeemed	<u>(2,602,702)</u>	<u>(119,698)</u>
Net Increase in Shares	2,082,470	1,533,457
Outstanding at Beginning of Period	<u>2,438,722</u>	<u>905,265</u>
Outstanding at End of Period	<u>4,521,192</u>	<u>2,438,722</u>

The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

STATEMENTS OF CHANGES IN NET ASSETS

	Years Ended	
	<u>4/30/2009</u>	<u>4/30/2008</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income	\$ 443,649	\$ 532,809
Net Realized Loss on Investments	(726,101)	(120,791)
Net Change in Unrealized Appreciation/Depreciation on Investments	<u>(71,587)</u>	<u>(241,420)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	(354,039)	170,598
Distributions to Shareholders:		
Net Investment Income	<u>(437,520)</u>	<u>(526,766)</u>
Net Change in Net Assets from Distributions	(437,520)	(526,766)
Capital Share Transactions:		
Proceeds from Sale of Shares	1,745,067	584,809
Shares Issued on Reinvestment of Dividends	390,189	443,801
Cost of Shares Redeemed	<u>(1,199,443)</u>	<u>(1,243,403)</u>
Net Increase/(Decrease) from Shareholder Activity	935,813	(214,793)
Net Assets:		
Net Increase (Decrease) in Net Assets	144,254	(570,961)
Beginning of Period	<u>10,450,534</u>	<u>11,021,495</u>
End of Period (Including Accumulated Undistributed Net Investment Income of \$30,608 and \$24,479, respectively)	<u>\$10,594,788</u>	<u>\$10,450,534</u>
Share Transactions:		
Shares Sold	193,554	58,851
Shares Issued on Reinvestment of Dividends	42,982	45,065
Shares Redeemed	<u>(130,870)</u>	<u>(124,835)</u>
Net Increase/(Decrease) in Shares	105,666	(20,919)
Outstanding at Beginning of Period	<u>1,073,616</u>	<u>1,094,535</u>
Outstanding at End of Period	<u>1,179,282</u>	<u>1,073,616</u>

The accompanying notes are an integral part of these financial statements.

CROFT VALUE FUND

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the period:

	For the Years Ended				
	<u>4/30/ 2009</u>	<u>4/30/ 2008</u>	<u>4/30/ 2007</u>	<u>4/30/ 2006</u>	<u>4/30/ 2005</u>
Net Asset Value, at Beginning of Period	<u>\$ 25.17</u>	<u>\$24.27</u>	<u>\$21.94</u>	<u>\$ 18.57</u>	<u>\$ 17.62</u>
Income (Loss) From Investment Operations:					
Net Investment Income (Loss) *	0.06	0.08	0.13	0.03	0.08
Net Gain (Loss) on Securities (Realized and Unrealized)	<u>(9.72)</u>	<u>1.72</u>	<u>3.27</u>	<u>4.80</u>	<u>1.65</u>
Total from Investment Operations	<u>(9.66)</u>	<u>1.80</u>	<u>3.40</u>	<u>4.83</u>	<u>1.73</u>
Distributions:					
Net Investment Income	(0.06)	(0.08)	(0.11)	(0.06)	(0.06)
Realized Gains	<u>(0.10)</u>	<u>(0.82)</u>	<u>(0.96)</u>	<u>(1.40)</u>	<u>(0.72)</u>
Total from Distributions	<u>(0.16)</u>	<u>(0.90)</u>	<u>(1.07)</u>	<u>(1.46)</u>	<u>(0.78)</u>
Proceeds from Redemption Fees	- ***	-	-	-	-
Net Asset Value, at End of Period	<u>\$ 15.35</u>	<u>\$25.17</u>	<u>\$24.27</u>	<u>\$ 21.94</u>	<u>\$ 18.57</u>
Total Return **	(38.35)%	7.28%	15.86%	26.77%	10.01%
Ratios/Supplemental Data:					
Net Assets at End of Period (Thousands)	\$69,417	\$61,381	\$21,969	\$11,024	\$ 7,341
Before Waivers					
Ratio of Expenses to Average Net Assets	1.46%	1.57%	1.66%	1.76%	2.01%
Ratio of Net Investment Income (Loss) to Average Net Assets	0.33%	0.22%	0.43%	(0.12)%	(0.10)%
After Waivers					
Ratio of Expenses to Average Net Assets	1.46%	1.48%	1.50%	1.50%	1.50%
Ratio of Net Investment Income to Average Net Assets	0.33%	0.31%	0.59%	0.13%	0.41%
Portfolio Turnover	15.49%	24.20%	19.46%	21.97%	47.54%

* Per share net investment income has been determined on the basis of average shares outstanding during the period.

** Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends, and is not annualized for periods of less than one year.

*** Proceeds from redemption fees were less than \$0.005 per share.

The accompanying notes are an integral part of these financial statements.

CROFT INCOME FUND

FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the period:

	For the Years Ended				
	<u>4/30/</u> <u>2009</u>	<u>4/30/</u> <u>2008</u>	<u>4/30/</u> <u>2007</u>	<u>4/30/</u> <u>2006</u>	<u>4/30/</u> <u>2005</u>
Net Asset Value, at Beginning of Period	<u>\$ 9.73</u>	<u>\$10.07</u>	<u>\$ 9.98</u>	<u>\$10.21</u>	<u>\$10.12</u>
Income (Loss) From Investment Operations:					
Net Investment Income *	0.41	0.50	0.53	0.49	0.45
Net Gain (Loss) on Securities (Realized and Unrealized)	<u>(0.76)</u>	<u>(0.34)</u>	<u>0.08</u>	<u>(0.24)</u>	<u>0.09</u>
Total from Investment Operations	<u>(0.35)</u>	<u>0.16</u>	<u>0.61</u>	<u>0.25</u>	<u>0.54</u>
Distributions:					
Net Investment Income	(0.40)	(0.50)	(0.52)	(0.48)	(0.45)
Realized Gains	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total from Distributions	<u>(0.40)</u>	<u>(0.50)</u>	<u>(0.52)</u>	<u>(0.48)</u>	<u>(0.45)</u>
Net Asset Value, at End of Period	<u>\$ 8.98</u>	<u>\$ 9.73</u>	<u>\$10.07</u>	<u>\$ 9.98</u>	<u>\$10.21</u>
Total Return **	(3.58)%	1.63%	6.27%	2.43%	5.42%
Ratios/Supplemental Data:					
Net Assets at End of Period (Thousands)	\$10,595	\$10,451	\$11,021	\$10,040	\$8,786
Before Waivers and Reimbursements					
Ratio of Expenses to Average Net Assets	2.04%	1.97%	1.66%	1.67%	1.68%
Ratio of Net Investment Income to Average Net Assets	3.50%	4.17%	4.71%	4.28%	3.79%
After Waivers and Reimbursements					
Ratio of Expenses to Average Net Assets	1.10%	1.10%	1.10%	1.10%	1.10%
Ratio of Net Investment Income to Average Net Assets	4.43%	5.04%	5.27%	4.85%	4.36%
Portfolio Turnover	16.70%	5.03%	15.04%	14.61%	1.76%

* Per share net investment income has been determined on the basis of average shares outstanding during the period.

** Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends, and is not annualized for periods of less than one year.

The accompanying notes are an integral part of these financial statements.

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2009

Note 1. Organization

The Croft Value Fund (the “Value Fund”) and the Croft Income Fund (the “Income Fund”) were organized as managed portfolios of the Croft Funds Corporation (the “Corporation”) under the laws of the State of Maryland pursuant to Articles of Incorporation dated July 20, 1994, and are registered under the Investment Company Act of 1940, as amended, as diversified, open-end investment companies. The Funds commenced operations on May 4, 1995. The Value Fund’s investment objective is to seek growth of capital. It invests primarily in common stocks of companies believed by Croft-Leominster, Inc. (the “Advisor”) to be undervalued and have good prospects for capital appreciation. The Income Fund seeks a high level of current income with moderate risk to principal. The Advisor seeks to achieve this by investing primarily in a diversified portfolio of U.S. traded investment grade fixed-income securities.

Note 2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements.

Security Valuation: The Funds’ portfolio securities for which market quotations are readily available are valued at market value, which is determined by using the last reported sale price. If there are no sales reported, as in the case of certain securities traded over-the-counter, the Funds’ portfolio securities will be valued by using the last reported bid price. Many debt securities, including U.S. Government Securities, are traded in the over-the counter market. Obligations having remaining maturities of 60 days or less are valued at amortized cost which the Corporation’s Directors have determined to approximate their market value. The ability of issuers of debt securities held by the Funds to meet their obligations may be affected by economic and political developments in a specific country or region.

The amortized cost value of a security is determined by valuing it at cost originally and thereafter amortizing any discount or premium from its face value at a constant rate until maturity, regardless of the effect of fluctuating interest rates on the market value of the instrument. Although the amortized cost method provides certainty in valuation, it may result at times in determinations of value that are higher or lower than the price the Funds would receive if the instruments were sold. Consequently, changes in the market value of such portfolio instruments during periods of rising or falling interest rates will not be reflected in the computation of the Funds’ net asset value.

Certain securities and assets of the Funds may be valued at fair value as determined in good faith by the Board of Directors or by persons acting at their direction in accordance with guidelines established by the Board of Directors. The fair value of any restricted securities from time to time held by the Funds are determined by the Advisor according to procedures approved by the Board of Directors. Such valuations and procedures are reviewed periodically by the Board of Directors. The fair value of these securities is generally determined as the amount which the Funds could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. Method

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED) APRIL 30, 2009

which are in accord with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities trade on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods.

Federal Income Taxes: Each Fund's policy is to continue to comply with requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income as dividends to its shareholders. The Funds intend to distribute their net long-term capital gains and their net short-term capital gains at least once a year. Therefore, no provision for federal income taxes is required. Federal income tax loss carryforwards generated in prior years will be used to offset a portion of current year's net realized gains.

As of and during the fiscal year ended April 30, 2009 the Funds did not have a liability for any unrecognized tax benefits. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense on the statement of operations. During the period, the Funds did not incur any interest or penalties. The Funds are not subject to examination by the U.S. Federal tax authorities for tax years before 2005.

Distributions to Shareholders: Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income taxes purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset value per share of the Funds. At April 30, 2009, expired capital loss carryforwards in the amount of \$404,798 were reclassified to paid-in capital and \$2,337 was reclassified from accumulated net realized losses to paid-in capital for other book/tax differences for the Income Fund.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Other: The Funds record security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statement and

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED) APRIL 30, 2009

income tax purposes. Dividend income is recognized on the ex-dividend date. Interest income is recognized on an accrual basis. Discounts and premiums on securities purchased are amortized over the lives of the respective securities. Withholding taxes on foreign dividends have been provided for in accordance with the Funds' understanding of the appropriate country's rules and rates.

Fair Value Measurements: The Funds adopted Financial Accounting Standards Board ("FASB") Statement on Financial Accounting Standards ("SFAS") No. 157 "Fair Value Measurements," effective May 1, 2008. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosure about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. In accordance with SFAS No. 157, fair value is defined as the price that would be received by the Funds upon selling an asset or paid by the Funds to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of a principal market for the asset or liability, the assumption is that the transaction occurs on the most advantageous market for the asset or liability. SFAS No. 157 established a three-tier fair value hierarchy that prioritizes the assumptions, also known as "inputs", to valuation techniques used by market participants to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk (for example, the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and/or the risk inherent in the inputs to the valuation technique). Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The valuation techniques used to measure fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. The three-tier hierarchy of inputs is summarized in three levels with the highest priority given to Level 1 and the lowest priority given to Level 3: Level 1 - quoted prices in active markets for identical securities, Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) and Level 3 - significant unobservable inputs (including the Funds' own assumptions in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in these securities. The following is a summary of the inputs used as of April 30, 2009 in valuing the Funds' assets carried at fair value:

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED) APRIL 30, 2009

Value Fund

	Investments <u>In Securities</u>	Other Financial <u>Instruments</u> ⁽¹⁾
<u>Valuation Inputs:</u>		
Level 1 – Quoted Prices	\$69,522,646	\$ -
Level 2 – Significant Other Observable Inputs	-	-
Level 3 – Significant Unobservable Inputs	-	-
Total	<u>\$69,522,646</u>	<u>\$ -</u>

Income Fund

	Investments <u>In Securities</u>	Other Financial <u>Instruments</u> ⁽¹⁾
<u>Valuation Inputs:</u>		
Level 1 – Quoted Prices	\$1,419,227	\$ -
Level 2 – Significant Other Observable Inputs	9,034,375	-
Level 3 – Significant Unobservable Inputs	-	-
Total	<u>\$10,453,602</u>	<u>\$ -</u>

⁽¹⁾ Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as written options, short sales, currency contracts, futures, forward contracts and swap contracts.

For the year ended April 30, 2009, the Funds did not have significant unobservable inputs (Level 3) used in determining fair value. Therefore, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

Note 3. New Accounting Pronouncements – In March 2008, FASB issued Statement on Financial Accounting Standards No. 161, “Disclosure about Derivative Instruments and Hedging Activities” (SFAS 161), effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Funds’ derivative and hedging activities, including how such activities are accounted for and their effect on the Funds’ financial position, performance and cash flows. Management is currently evaluating the impact the adoption of SFAS 161 will have on the Funds’ financial statements and related disclosures.

In April 2009, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position No. 157-4, “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly” (“FSP 157-4”). FSP 157-4 provides additional guidance for estimating fair value in accordance with FAS 157, when the volume and level of activity for the asset or liability have significantly decreased as well as guidance on identifying circumstances that indicate a transaction is not orderly. FSP 157-4 is effective for fiscal years and interim periods ending after June 15, 2009. Management is currently evaluating the impact the adoption of FSP 157-4 will have on the Funds’ future financial statement and related disclosures.

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED) APRIL 30, 2009

Note 4. Investment Advisory Fee and Other Transactions with Affiliates

The Funds retain the Advisor as their investment advisor. Under the terms of the management agreement, subject to such policies as the Board of Directors of the Corporation may determine, the Advisor, at its expense, will continuously furnish an investment program for the Funds, will make investment decisions on behalf of the Funds, and place all orders for the purchase and sale of portfolio securities subject always to applicable investment objectives, policies and restrictions. Pursuant to the management agreement and subject to the general oversight of the Board of Directors, the Advisor also manages, supervises and conducts the other affairs and business of the Funds, furnishes office space and equipment, provides bookkeeping and certain clerical services and pays all fees and expenses of the officers of the Funds. For the Advisor's services, the Funds pay a fee, computed daily and payable monthly at the annual rate of 0.94% of the Value Fund's average daily net assets and at the annual rate of 0.79% of the Income Fund's average daily net assets.

For the year ended April 30, 2009, the Advisor earned fees from the Value Fund of \$595,220 before the waiver/reimbursement described below. For the period of May 1, 2008 through August 24, 2008, the Advisor had contractually agreed to waive management fees and/or reimburse expenses to the Value Fund to limit the overall expense ratio to 1.48%. Effective August 25, 2008 through August 30, 2009, the Advisor contractually agreed to an expense limitation of 1.47% of the Value Fund's average net assets (excluding ordinary brokerage commissions, underlying Fund fees and extraordinary expenses). At April 30, 2009, the Value Fund owed the Advisor \$33,301.

For the fiscal year ended April 30, 2009, the Advisor earned fees from the Income Fund of \$79,045 before the waiver/reimbursement described below. Through August 30, 2009, the Advisor has contractually agreed to waive management fees and/or reimburse expenses to the Income Fund to limit the overall expense ratio to 1.10% (excluding ordinary brokerage commissions and extraordinary expenses) of the Income Fund's average net assets. At April 30, 2009 the Income Fund owed the Advisor \$67.

Pursuant to a plan of distribution, the Funds may pay a distribution fee of up to 0.25% of the average daily net assets to broker-dealers for distribution assistance and to financial institutions and intermediaries such as banks, savings and loan associations, insurance companies and investment counselors as compensation for services rendered or expenses incurred in connection with distribution assistance. For the fiscal year ended April 30, 2009, the Value Fund and the Income Fund incurred distribution fees of \$158,306 and \$25,014, respectively.

A director and certain officers of the Corporation are also officers and owners of the Advisor. Each "non-interested" Director is entitled to receive an annual fee of \$1,500 plus expenses for services related to the Corporation.

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED) APRIL 30, 2009

Note 5. Capital Share Transactions

At April 30, 2009, there were 30,000,000, \$0.001 par value shares of capital stock authorized for the Croft Funds Corporation (which includes the Value Fund and the Income Fund), and paid in capital amounted to \$98,560,043 for the Value Fund and \$11,561,735 for the Income Fund.

Note 6. Investments

Value Fund

For the fiscal year ended April 30, 2009, the cost of purchases and the proceeds from sales, other than U.S. Government Securities and short-term securities, aggregated \$56,080,325 and \$8,776,423, respectively. For federal income tax purposes, as of April 30, 2009, the gross unrealized appreciation for all securities totaled \$2,115,196 and the gross unrealized depreciation for all securities totaled \$26,829,459, for a net unrealized depreciation of \$24,714,263. The aggregate cost of securities for federal income tax purposes at April 30, 2009 was \$94,236,909.

Income Fund

For the fiscal year ended April 30, 2009, the cost of purchases and the proceeds from the sales, other than U.S. Government securities and short-term securities, aggregated \$5,165,462 and \$1,175,952, respectively. For the fiscal year ended April 30, 2009, the cost of purchases and the proceeds from the sales on U.S. Government securities aggregated \$0 and \$0, respectively. For federal income tax purposes, as of April 30, 2009, the gross unrealized appreciation for all securities totaled \$389,345 and the gross unrealized depreciation for all securities totaled \$958,247, for a net unrealized depreciation of \$568,902. The aggregate cost of securities for federal income tax purposes at April 30, 2009 was \$11,022,504.

The difference between book cost and tax cost represents the difference between the original cost and market value of portfolio securities at the time of conversion from a partnership to a regulated investment company on May 4, 1995.

Note 7. Distributions to Shareholders

VALUE FUND

The Value Fund makes distributions annually. During the fiscal year ended April 30, 2009, distributions of \$0.16 per share, or \$601,353 in the aggregate, were declared and paid from net investment income and long-term capital gains.

The tax character of distributions paid during the fiscal years ended April 30, 2009 and 2008 were as follows:

Distributions paid from:	<u>4/30/2009</u>	<u>4/30/2008</u>
Ordinary Income	\$216,487	\$85,119
Long Term Capital Gain	<u>384,866</u>	<u>921,353</u>
	<u>\$601,353</u>	<u>\$ 1,006,472</u>

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED) APRIL 30, 2009

As of April 30, 2009, the components of distributable earnings/(accumulated losses) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 19,911
Capital Loss Carryforward	(4,448,809)
Unrealized Appreciation/(Depreciation)	<u>(24,714,263)</u>
	<u>\$ (29,143,161)</u>

The difference between book basis and tax-basis unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses of wash sales and post-October losses. The Value Fund elected to defer post-October losses in the amount of \$6,740,835.

INCOME FUND

The Income Fund makes quarterly income distributions. During the fiscal year ended April 30, 2009, distributions of \$0.40 per share, or \$437,520 in the aggregate, were declared and paid from net investment income.

The tax character of distributions paid during the fiscal years ended April 30, 2009 and 2008 were as follows:

Distributions paid from:	<u>April 30, 2009</u>	<u>April 30, 2008</u>
Ordinary Income	<u>\$ 437,520</u>	<u>\$ 526,766</u>
	<u>\$ 437,520</u>	<u>\$ 526,766</u>

As of April 30, 2009 the components of distributable earnings/ (accumulated losses) on a tax basis were as follows:

Undistributed Ordinary Income	\$30,608
Capital Loss Carryforward	(420,958)
Unrealized Appreciation/ (Depreciation)	<u>(568,902)</u>
	<u><u>\$(959,252)</u></u>

The difference between book basis and tax-basis unrealized appreciation (depreciation) is attributable to the difference in original cost and market value of securities at the time of conversion from a partnership to a regulated investment company on May 4, 1995 and due to the deferral of post-October losses. The Income Fund elected to defer post-October losses in the amount of \$589,631.

CROFT FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED) APRIL 30, 2009

Note 8. Control Ownership

The beneficial ownership, either directly or indirectly, or more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2 (a) (a) of the Act. As of April 30, 2009, Charles Schwab, Inc. held in omnibus accounts for the benefit of others approximately 66% of the voting securities of the Value Fund and may be deemed to control the Value Fund.

Note 9. Capital Loss Carryforwards

At April 30, 2009, the Income Fund had available for federal tax purposes an unused capital loss carryforward of \$420,958, of which \$139,760 expires in 2010, \$21,085 expires in 2011, \$120,791 expires in 2016 and \$139,322 expires in 2017. Capital loss carryforwards in the amount of \$404,798 expired during the year ended April 30, 2009. At April 30, 2009, the Value Fund had available for federal income tax purposes an unused capital loss carryforward of which \$4,448,809 expires in 2017. To the extent that these carryforwards are used to offset future capital gains, it is possible that the amount which is offset will not be distributed to shareholders.

CROFT FUNDS

AUDITOR'S OPINION
APRIL 30, 2009

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Shareholders and Board of Directors
Croft Funds Corporation

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Croft Funds Corporation (the "Funds"), comprising the Croft Value Fund and Croft Income Fund as of April 30, 2009, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of April 30, 2009, by correspondence with the Funds' custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the funds constituting the Croft Funds Corporation as of April 30, 2009, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and their financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

COHEN FUND AUDIT SERVICES, LTD.
Westlake, Ohio
June 26, 2009

CROFT FUNDS

EXPENSE ILLUSTRATION APRIL 30, 2009 (UNAUDITED)

Expense Example

As a shareholder of the Croft Funds, you incur ongoing costs which consist of management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, November 1, 2008 through April 30, 2009.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on these Funds actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not these Funds actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in these Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

CROFT FUNDS

EXPENSE ILLUSTRATION (CONTINUED)
APRIL 30, 2009 (UNAUDITED)

	Value Fund		Expenses Paid
	Beginning	Ending	During the
	Account	Account	Period *
	Value	Value	
	<u>November 1,</u>	<u>April 30, 2009</u>	<u>November 1, 2008</u>
	<u>2008</u>		<u>to April 30, 2009</u>
Actual	\$1,000.00	\$969.85	\$7.13
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,017.55	\$7.30
* Expenses are equal to the Fund's annualized expense ratio of 1.46%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).			

	Income Fund		Expenses Paid
	Beginning	Ending Account	During the
	Account	Value	Period *
	Value		
	<u>November 1,</u>	<u>April 30, 2009</u>	<u>November 1, 2008</u>
	<u>2008</u>		<u>to April 30, 2009</u>
Actual	\$1,000.00	\$1,062.44	\$5.63
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,019.34	\$5.51
* Expenses are equal to the Fund's annualized expense ratio of 1.10%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).			

CROFT FUNDS

TRUSTEES AND OFFICERS APRIL 30, 2009 (UNAUDITED)

Information about Directors who are “interested persons” of the Corporation as defined under the 1940 Act, including their principal occupations during the past five years, is as follows:

Name, Address¹ and Year of Birth	Principal Occupation(s) During last five years and Position held with Corporation	Number of Portfolios overseen by Director	Other Directorships held by Director or Officer	Length of Time Served
Kent G. Croft ² Age: 46	Director, President, CCO, and Secretary of the Corporation. President, Croft-Leominster, Inc. since 1989.	2	Croft-Leominster Inc., Wildfowl Trust of North America, St. Paul’s School	14 years
L. Gordon Croft ² Age: 76	Vice President of the Corporation. Vice President, Chief Investment Officer and Director of Croft- Leominster, Inc. since 1989.	N/A	Croft-Leominster Inc.	14 years
Phillip Vong Age: 34	Assistant Vice President, Treasurer and Chief Financial Officer of the Corporation. Employee of Croft-Leominster, Inc. since 1997.	N/A	None	5 Years
George Russell Croft ² Age: 35	Vice President of the Corporation, Vice President of Croft Leominster, Inc. since 2001	N/A	Croft Leominster Inc.	2 Year

¹ The mailing address of each officer and Director is: c/o Croft Funds Corporation, Canton House, 300 Water Street, Baltimore, Maryland 21202.

² L. Gordon Croft is the father of Kent G. Croft and Russell G. Croft. They are “interested persons” of the Corporation because they are a director and/or officers of the Corporation. In addition, they may be deemed to be “interested persons” of the Corporation because they are officers of the Fund’s adviser.

CROFT FUNDS

TRUSTEES AND OFFICERS (CONTINUED)
APRIL 30, 2009 (UNAUDITED)

Information about Directors who are not “interested persons” of the Corporation as defined under the 1940 Act, including their principal occupations during the past five years, is as follows:

Name, Address¹ and Year of Birth	Principal Occupation(s) During last five years and Position held with Corporation	Number of Portfolios overseen by Director	Other Directorships held by Director or Officer	Length of Time Served
George D. Edwards, II Age: 71	Director (and Chairman) of the Corporation. Past Chairman of the Board of the Omega Organization Inc., a financial services consulting firm, from 1995-2003. President and Chief Executive Officer, Hottman Edwards Advertising, Inc., 1971-1995.	2	None	14 years (Chairman 8 years)
Charles Jay McLaughlin Age: 46	Director of the Corporation. President, Orion Safety Products as of January 1999. Attorney, Oppenheimer Wolff & Donnelly (law firm, 1989-1995).	2	Orion Safety Products	10 years

¹ The mailing address of each officer and Director is: c/o Croft Funds Corporation, Canton House, 300 Water Street, Baltimore, Maryland 21202.

CROFT FUNDS

ADDITIONAL INFORMATION
APRIL 30, 2009 (UNAUDITED)

Information Regarding Proxy Voting

A description of the policies and procedures that these Funds use to determine how to vote proxies relating to portfolio securities and information regarding how these Funds voted proxies during the most recent 12-month period ended June 30, are available without charge upon request by (1) calling the Funds at (800) 746-3322 and (2) from Fund documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at www.sec.gov.

Information Regarding Portfolio Holdings

The Funds file a complete schedule of investments with the SEC for the first and third quarter of each fiscal year on Form N-Q. The Funds' first and third fiscal quarters end on July 31 and January 31. The Funds' Form N-Q's are available on the SEC's website at <http://sec.gov>, or they may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Funds at 1-800-746-3322.

Information Regarding Statement of Additional Information

The Statement of Additional Information includes additional information about the Directors and is available without charge upon request, by calling toll free at 1-800-746-3322.



1-800-746-3322

This report is provided for the general information of the shareholders of the Croft Funds Corporation. This report is not intended for distribution to prospective investors in these Funds, unless preceded or accompanied by an effective Prospectus